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21930/3  
**ORIGINAL**



May 25, 2007

VIA HAND DELIVERY - RETURN COPY

Hon Vernon A Williams  
Secretary  
Surface Transportation Board  
395 E Street. SW  
Washington, DC 20423-0001

Dear Secretary Williams

Enclosed for filing in Finance Docket No 35038, Tulare Valley Railroad Company-Feeder Line Acquisition-A Line of the San Joaquin Valley Railroad Co., are the original and ten copies of the Application of Tulare Valley Railroad Company

This firm's check for \$2,600 in payment of the filing fee is attached

Additional copies of this letter and of the Application are enclosed for you to stamp to acknowledge your receipt of them

If you have any question concerning the foregoing which you believe I may be able to answer or if I otherwise can be of assistance, please let me know

Sincerely yours,

  
Fritz R Kahn

**FEE RECEIVED**

MAY 25 2007

**SURFACE  
TRANSPORTATION BOARD**

**FILED**

MAY 25 2007

**SURFACE  
TRANSPORTATION BOARD**

**ENTERED  
Office of Proceedings**

MAY 25 2007

**Part of  
Public Record**

BEFORE THE  
SURFACE TRANSPORTATION BOARD  
WASHINGTON, D C

**ORIGINAL**

Finance Docket No 35038

TULARE VALLEY RAILROAD COMPANY  
- FEEDER LINE ACQUISITION -  
A LINE OF THE SAN JOAQUIN VALLEY RAILROAD CO



APPLICATION  
OF  
TULARE VALLEY RAILROAD COMPANY

**ENTERED**  
**Office of Proceedings**

**MAY 25 2007**

**Part of**  
**Public Record**

Fritz R Kahn  
Fritz R Kahn, P C  
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Tel (202) 263-4152

Attorney for

TULARE VALLEY RAILROAD COMPANY

Dated: May 25, 2007

**FEE RECEIVED**

**MAY 25 2007**

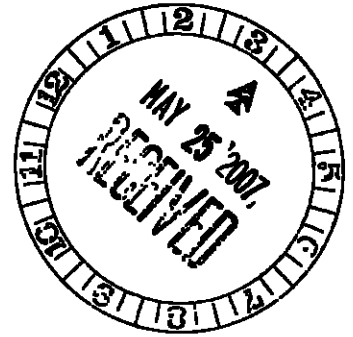
**SURFACE  
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WASHINGTON, D.C.



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TULARE VALLEY RAILROAD COMPANY  
– FEEDER LINE ACQUISITION –  
A LINE OF THE SAN JOAQUIN VALLEY RAILROAD CO

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APPLICATION  
OF  
TULARE VALLEY RAILROAD COMPANY

Fritz R. Kahn  
Fritz R Kahn, P C  
1920 N Street, NW (8<sup>th</sup> fl )  
Washington, DC 20036-1601  
Tel (202) 263-4152

Attorney for

TULARE VALLEY RAILROAD COMPANY

Dated May 25, 2007

BEFORE THE  
SURFACE TRANSPORTATION BOARD  
WASHINGTON, D C



Finance Docket No 35038

TULARE VALLEY RAILROAD COMPANY  
– FEEDER LINE ACQUISITION –  
A LINE OF THE SAN JOAQUIN VALLEY RAILROAD CO

APPLICATION  
OF  
TULARE VALLEY RAILROAD COMPANY

Applicant, Tulare Valley Railroad Company ("TVR"), pursuant to 49 U S C 10907 and 49 C F R 1151.1, et seq., seeks the Board's authorization to purchase a line of railroad, as hereinafter identified, and, in support of its Application, TVR states, as follows

1 Identification of the line to be purchased

(a) The line to be purchased is that of the San Joaquin Valley Railroad Co ("SJVR")

(b) The line to be purchased is a segment of the Exeter Branch, extending between Milepost 259.4 near Exeter 93221 and Milepost 299.17 at Jovista., a distance of 39.77 miles in Tulare County, California. The intervening stations are Lindsay 93247, Strathmore 93267, Porterville 93257, Terra Bella 93270, Ducor 93218 and Richgrove 93261

2 Identification of the Applicant

(a) The Applicant is

Tulare Valley Railroad Company  
P O. Box 26421  
Salt Lake City, UT 84126

(b) The Applicant's representative is

Fritz R Kahn  
Fritz R Kahn, P C  
1920 N Street, NW (8<sup>th</sup> fl )  
Washington, DC 20036-1601  
Tel (202) 263-4152

(c) The Applicant is affiliated with the V & S Railway, L L C , and the Kern  
Valley Railroad Company

(d) The Applicant's Directors are Mr Kern Shumacher, Mr Troy W Shumacher  
and Ms Hollye Shumacher, and its officers are Mr Kern Shumacher, President, Mr Michael J  
Van Wagenen, Vice President, and Mr. George Ross, Vice President, all with their addresses at  
P O Box 26421, Salt Lake City, UT 84126

### 3. Applicant's financial fitness

Mr Kern Shumacher owns ninety percent of the Applicant's stock, the remainder  
being owned by his children Mr Shumacher's net worth is well in excess of \$10 million, and he  
guarantees the Applicant's ability to pay the higher of subject line's going concern value or its  
net liquidation value and to render adequate transportation on the subject line for a period of not  
less than three years

### 4 Estimate of the subject line's value

The Applicant believes that the subject line has no going concern value The net  
liquidation value of the line is estimated by the Applicant to be \$968,000 The estimate is based  
on the current value of the subject line's rails, ties and other track materials of \$2,026,100, less

removal costs of \$673,500 and the costs refurbishing the highway crossings and sidewalks of \$384,600 The SJVR does not own the right-of-way.

**5 The offer**

Applicant offers to purchase the subject line for the higher of the net liquidation value or going concern value of the line

**6. Dates for proposed operation**

Applicant is prepared to assume responsibility for rendering adequate transportation on the subject line thirty days after the effective date of the Board's decision approving its Application

**7 Operating plan**

Applicant initially will render on-demand service in response to reasonable requests from the shippers on the line If and when the growth of traffic permits, Applicant will render scheduled service

**8 Liability insurance**

Applicant carries \$5 million of general liability insurance No trackage rights are being sought

**9. Preconditions**

Applicant seeks no preconditions from the shippers on the subject line

**10 Subsidy**

Applicant seeks no subsidy

**11. Public convenience and necessity**

Applicant proposes to demonstrate that the public convenience and necessity

require or permit Applicant's purchase of the subject line

(a) SJVR has made no effort to provide adequate service to shippers which transport traffic over the subject line. To the contrary, SJVR has imposed a prohibitive \$950 per car surcharge for traffic moving on the subject line, effectively rendering it impossible for shippers to use the subject line

(b) A majority of the shippers on the subject line deem SJVR's operations to be inadequate

(c) Applicant's purchase of the subject line will not adversely affect the remainder of the SJVR's operations

(d) Applicant's purchase of the subject line will be likely to result in improved railroad transportation for shippers which transport traffic over the line

## 12 Exemption

Applicant elects to be exempt from all of the provisions of Title 49 of the U.S Code if the Application is approved (except for joint rates pursuant to the provisions of chapter 107)

## 13 Trackage rights

Applicant does not seek trackage rights over any of the SJVR's lines, but it will want to negotiate an interchange agreement with it

## 14. Joint rates

Applicant does not seek the prescription of joint rates

## 15 Employees

Applicant will offer employment as needed to those employees of the SJVR who

currently are performing service on the subject line

16 Service

Copies of this Application are being served in accordance with 49 C F R. 1151.2

Copies of the Application will be made available to interested persons upon request

Respectfully submitted,

TULARE VALLEY RAILROAD COMPANY

By its attorney,



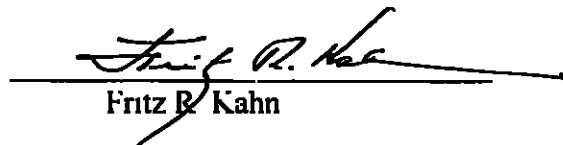
Fritz R Kahn  
Fritz R Kahn, P C  
1920 N Street, NW (8<sup>th</sup> fl )  
Washington, DC 20036-1601  
Tel (202) 263-4152

Dated May 25, 2007

CERTIFICATE OF SERVICE

I certify that I this day have served the foregoing Application upon the persons  
identified in 49 C F R 1151 2(a). by mailing a copy to each by pre-paid first class mail

Dated at Washington, DC. this 25th day of May, 2007

  
Fritz R Kahn